Texas Report

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The First State Report for The United States of America

By: Elizabeth Dusch, Travis Hutcherson, Michaela O'Neil and Michelle Titus

A Century of Global Connection and Collaboration

Andrews Kurth LLP

As you walk the halls of Andrews Kurth, you will hear lawyers devising strategy, analyzing contracts and reviewing documents. They are talking shop. At this century old firm, that means delivering sophisticated legal advice with a straightforward, no nonsense attitude. This approach is what companies of all sizes have come to rely on from the international law firm, and it continues to set Andrews Kurth apart from its competition.

Tom Perich
Chairman

Timothy J. Unger
Partner

Jeff C. Dodd
Partner

Founded in Houston, Texas in 1902 on the principle that straight talk is good business, Andrews Kurth today boasts more than 400 lawyers across eight offices worldwide. The firm has learned to leverage its Texas roots to maximize opportunities both domestically and internationally for its clients.

Houston is renowned as the capital city of the global energy industry and operates the world's tenth largest seaport. But Houston long ago proved it is not a one-trick pony. This is an international city - an epicenter of business, capital and innovation. Over the past century, Andrews Kurth has evolved with the city. The firm has built a standing reputation for assisting worldwide corporations, across myriad industries, with legal matters that often land at the intersection of industry and capital.

"Energy, of course, is one of the industries that we specialize in," said Timothy Unger, co-chair of the Business Transaction Section at Andrews Kurth. "Houston is the energy capital of the world, which puts us right in the center of traditional energy legal work as well as the work in alternative energies, such as wind, solar and geothermal."

With traditional energy, oil and gas at its core, Andrews Kurth has parlayed its extensive experience into a full spectrum of legal services. Businesses that develop, produce, transport and market oil, natural gas and electric power face daily business and legal decisions with potentially global impact and bet-the-company consequences, ranging from corporate growth strategies and financial investments and divestitures, to protecting innovation and technology assets, and enforcing or defending the company when inevitable disputes arise.

The applicable skills, knowledge, legal experience and business acumen that have placed Andrews Kurth at the forefront of the energy industry, are applicable across the myriad industries that constitute today's global economy.

The firm's work has garnered recognition from major organizations. In 2011, Andrews Kurth won two Deal of the Year honors at the M&A Atlas Awards for its work on General Motors' acquisition of AmeriCredit Corp, and Williams Partners LP's acquisition of Williams Pipeline Partners LC.

Global Reach

With an increasingly global client base, Andrews Kurth opened a Beijing office in 2005 to better serve clients throughout China and surrounding countries. The firm boasts big-name clients in the Chinese energy market, including Sinopec, one of China's largest oil companies and Asia's largest oil refiner. Andrews Kurth represented the oil giant in Sinopec's December 2010 acquisition of Occidental Petroleum Corporation's Argentine oil and gas business, including 23 concessions located in three Argentine provinces. The transaction was valued at $2.45 billion and resulted in Sinopec's increasing its reserves to help China meet its growing demand.

The Sinopec transaction is indicative of China's expansion of its reach in the oil and gas industry. It also squarely confirms Andrews Kurth's place on the industry's list of go-to firms.

"Maintaining a physical presence in China has cemented Andrews Kurth's ability to reach and represent China's elite businesses", said Firm Chairman Tom Perich. "We are also seeing an influx of inbound opportunities, from Chinese solar companies entering the US to Chinese clients considering joint ventures with American companies," Perich said.

Protecting Innovation

In today's market, even the most traditional of energy companies are increasingly becoming more innovative and technologically advanced. The same is true across all industries. Assets are no longer strictly tangible.

With fluent Mandarin speakers in leading roles, Andrews Kurth has a rapidly expanding Asian intellectual property practice. A team of about 15 full-time IP practitioners focus a substantial amount of their practice on international IP litigation protection and commercial transactions. The firm's experience includes the management, enforcement and defense of intellectual property assets, the development and commercialization of IP assets, and all aspects of IP litigation.

"Our clients include those who want to do business in China, as well Chinese companies that seek to acquire, develop and commercialize IP assets in international markets," said Jeff Dodd, partner and chair of the intellectual property section. "We are building long-term relationships, helping our clients to refine their international IP strategies and helping them navigate their IP needs."

With offices on three continents, Andrews Kurth is able to be at the center of a network spanning industries and nations. In addition to the firm's immense database of clients, Andrews Kurth maintains strong collaborative connections through The World Law Group, a network of 50 leading independent law firms with more than 270 offices in 40 countries and 11,000 lawyers in major commercial centres worldwide.

However, despite its size and the expanse of its work, Andrews Kurth has maintained a sense of culture and community within the firm. It focuses on personal attention to clients and promoting opportunities for its lawyers. The firm prides itself on a slim ratio of partners to associates, which enables superior client service devoted to personal attention from experienced, specialized lawyers.

"I think the key to the firm's success has been that we are very successful in attracting great lawyers who do great work for our clients," Mr. Unger said.

Mr. Perich agreed personalized client service is a point of pride for the firm. "We have a very open, friendly, collaborative culture that I think is important to our clients."

Texas is the second-largest U.S. state by both area and population

Houston is the largest city in Texas and the fourth-largest in the United States. It is home to eight out of the 13 *Fortune 100 Fastest Growing Companies* headquartered in Texas.

Sealing Partnerships Across A Global Industry

Moss Seal Company

The oil and gas industry conjures images of massive drilling rigs and pipelines, but the people at Moss Seal Company know that the smallest pieces of the process are the most crucial. Since 1972, Moss Seal, headquartered in Houston, Texas, has been making the most reliable, technologically advanced rubber and plastic seals for the industry's largest equipment manufacturing companies.

Just in the past year, Moss Seal's President, Mr. Bill Hogue pointed out, "We have been moving more into the manufacturing of machine plastic seals because they can obtain higher pressure and temperature ratings, and a broader range of chemical compatibility." Each product, he added, has to be performance approved before it is release to the market.

Since purchasing the company in 1988 after seven years as a Moss Seal employee, Mr. Hogue credits the company's enduring reputation in the industry to the committed relationships it has developed with clients.

Bill Hogue, *President*

"If you develop good relationships and provide a good product, we can always talk about price," Mr. Hogue said. "But you can never compromise on nor negotiate the quality."

For Moss Seal, quality is providing customer satisfaction and continuous improvement of products and services to meet an ever increasing hostile environment.

Moss Seal's first activity in China happened three years ago, through customers who realized the importance of retaining Moss Seal's expertise in a new market. As clients moved to China, responding to the ever-growing demand in China for energy (the NEA predicts a 10% increase from 2010), Moss Seal followed, expanding its local knowledge, its customer base, and opening a representative office in Shanghai.

"The goal is to eventually have a local presence in each of the five major oil producing regions within China," said Mr. Hogue. "But right now, the two major markets, [China and the U.S.] are what we are focusing on."

Over the next five years, as the Chinese demand for oil and gas continues to expand, Moss Seal plans to develop a stronger connection with customers there, through the same committed, quality-driven relationships on which it has always prided itself.

A Study In Operational Excellence

Norriseal

Norriseal is a division of Dover Corporation, a Fortune 500 corporation with over $7 billion in sales, and its products have been used in the industry for 56 years. Several aspects combine to produce its enviable brand recognition: short lead times in combination with on-time delivery, precision manufacturing, with state-of-the-art machine tools, and worldwide availability of field service. It is also a member company of Norris Production Solutions which has been a leader in oil and gas globally.

With 35 years of experience in the oil & gas industry, and the past 13 with Norriseal, Patricia Lewis, Sales Director, knows her business. That business is valves – valves to supply the oil & gas industry, predominantly in high pressure gas wells, as well as valves for marine applications, power generation, pulp and paper processing, and many other applications.

Lewis predicts "strong growth in the next years," not only in the domestic market, but especially in the steadily increasing international market. Lewis "would love to see [that growth] in China". This growth is being fueled in part by the demands of its customers as they expand their international presence. Its products are marketed and distributed through a network of representatives around the globe, including in Shenyang, Chengdu, Tianjin, Hong Kong, and Xian, and through its own office in Shanghai. Agents in mainland China are listed on the company's website.

Most customers fall into three categories: companies that purchase Norriseal products for sale under the purchaser's own brand name (for example, fabricators of entire skid assemblies), manufacturer's representatives, and resellers.

Norriseal is looking to China not only on the selling side, but on the purchasing side as well. The company is especially keen to link up with major skid manufacturers as partners in the anticipated growth market in China.

Texas Emerges as One of America's "Cyberstates"

Texas's economy is rapidly growing due to an increase in the development of advanced technologies, making the state an economic forerunner in America. Texas's technology industry ranked among the top three "Cyberstates" in the US in 2011 and continues to grow today.

Austin-based Texas, Axelo Inc. is a technology start-up funded by the Texas Emerging Technology Fund, a $400 million state-fund for business ventures in the emerging technology field. Axelo was founded in 2007 by a team of industry pioneers, who have turned a niche patented 3D motion sensing technology into mainstream commercialized products across a variety of industries including, video gaming, military and health sciences. As Axelo is an early-stage start-up with unlimited growth potential, it is open to talks with international investors and potential partners.

FuelQuest, a Houston based company, provides on-demand fuel management, tax automation and compliance solutions for suppliers, distributors, buyers and traders of petroleum products and other energy commodities. Mr. Philip Fraher, COO & CFO, of FuelQuest said that China is a top market for the company and a natural fit for their software particularly as a supplier to the downstream energy market.

Headquarters the largest number of Fortune 500 companies in the U.S.

From established Fortune 500 companies to start-ups, Texas's technology landscape is diverse and rapidly expanding. Like many industries in Texas, the technology industry is a product of the state's strong economic backbone, talented work force and receptiveness to foreign partnerships.

Building A Global Gateway For China
Enbridge Energy

As one of the 100 most sustainable corporations globally, Enbridge operates the world's most sophisticated crude oil and liquids transportation system, and it has strategic plans to incorporate China into its long-term goals.

Headquartered in Calgary, Alberta, Canada, Enbridge has more than 60 years of history. With six separate lines connecting western Canada to the United States and with further connection to Eastern Canada, Enbridge offers outstanding services to the markets it serves. The company is the leading pipeline operator in both Canada's oil sands region and the rapidly growing Bakken formation in Canada and the United States. Currently, Enbridge is expanding its pipeline capacity in both of those regions.

"The key to success for Enbridge has always been being very responsive to our customers' needs in the areas we serve," said Mark Maki, President of Enbridge Energy Management and Senior VP Enbridge Energy Company.

Enbridge continues to grow its network to help oil producers reach new markets. The company's pipeline systems are located in strategically important geographical areas, giving Enbridge an unparalleled ability to expand and extend its energy delivery networks throughout North America.

Mark Maki, *President of Enbridge Energy Management and Senior VP Enbridge Energy Company*

Recently, the company successfully completed more than five years of capacity expansion in the upstream to downstream market access, and it is increasingly involved in the natural gas transmission and midstream businesses, particularly in the United States. For example, the company transports about half of all the deepwater natural gas production in the Gulf of Mexico. Enbridge is also expanding its renewable and green energy technologies such as wind and solar energy, hybrid fuel cells and carbon dioxide sequestration.

"Enbridge's President & CEO Pat Daniel has long been an advocate of a stronger relationship with China and he has been supporting the Northern Gateway Pipeline for many years as critical for both Canada and China," Mr. Maki said.

Enbridge's Northern Gateway Pipeline, a multi-billion dollar project, is currently before Canadian energy and environmental regulators. The proposed project includes two pipelines: one with the capacity to export 525,000 barrels per day of crude oil from northern Alberta to Pacific Rim markets and the other to import condensate. The revolutionary pipeline will create opportunities for increased oil exports from North America to China, aiding both countries in their growth efforts and improving North American and Chinese relations through trade. Pending regulatory approval, the pipeline is expected to go into service in late 2016.

"Enbridge is providing transportation solutions for the Canadian oil sands, which of course has been backed by Chinese investment. Our Northern Gateway project will help to facilitate the energy independence of China and ensure that the western Canadian producers have access to markets and enhance liquidity," Mr. Maki explained.

Enbridge is encouraged by a stronger and more active presence of Chinese oil companies worldwide and hopes to further collaborate with Chinese companies on energy transportation infrastructure opportunities.

Leaders in Surface Engineering Solutions Since 1923
FW Gartner

Since 1923, FW Gartner has stood for quality, innovation, skill, integrity and reliability. World leaders in surface engineering, our cutting-edge technologies are available through our global network of partner companies.
Contact us at: **www.fwgts.com**

Since 1923, FW Gartner, a family-owned, Houston-based company specializing in surface engineering solutions, has used its family values and industry expertise to build lasting relationships within the local industry and more recently offshore.

Michele Falzon, a fourth-generation FW Gartner president, has seen generations of reliable, experienced staff build better, more efficient services. "It is not just the ownership [of FW Gartner]," she said. "It is the company's culture as a whole."

Those same commitment-based values have pushed the company to solve client problems by adopting and applying the industry's leading technologies. In the past few years, FW Gartner has become one of the first thermal spray companies to enhance its offerings with innovative laser cladding technology.

Michael Breitsameter of FW Gartner's international business department, explained laser cladding benefits: "this process metallurgically bonds the deposit to the part, adding mechanical strength, without distortion, across a range of standard and exotic materials and alloys, increasing the options for our clients when they look to reclaim worn components, or to protect new ones from wear and corrosion."

The improvement of the company's service offering and its ability to outperform the competition in a heavily saturated market has opened the doors for FW Gartner in new regions. When it comes to expanding its network and client base, the company has recently made strategic moves into Brazil, Saudi Arabia, Scotland, and this past year, it also forged a new partnership in Western Australia with Harfords Surface Technologies.

Dallas-Fort Worth and Houston lead the nation's largest metro areas in new jobs

In China, FW Gartner sees opportunity to apply its nearly century-old expertise to local Chinese partners seeking to apply the latest surface technologies to international standards. The company is actively evaluating partners with whom to develop strategic offerings in China, and whom it would advise on technological and service advancements in the industry.

It is a role they have taken with clients and partners for many years, and one it is confident can make them a leader in a new, national market.

Michele Falzon, *President*

As Ms. Falzon emphasized, "It's the relationships and the problem solving that we have embraced through the years that have enabled these new opportunities."

Stable Service in an Ever-Changing Industry
The Aldridge Company

Long gone are the days when IT was a separate entity from the business it served-- called on only for computer malfunctions. Today, across every industry and country, technology experts are an integral part of a company's work. That is why it is more important than ever that a business's technical support is able to understand thoroughly the company, its goals, and its needs.

David L. Aldridge, *President and Chief Executive Officer, and* **Patrick Wiley,** *Chief Operating Officer*

The Aldridge Company, founded in 1984 in Houston, Texas, has never been a call-if-there's-a-problem IT firm. The company is directed by its founder David Aldridge and a group of highly qualified professionals satisfying 300 clients, typically small-to-medium-sized businesses. Aldridge develops long-term relationships with its clients through fixed-rate service, meaning that instead of billing hourly (which some other companies use to inflate issues and take advantage of clients), Aldridge charges a flat fee for a given period, and services all of their clients' technology needs, problems, and questions at that fixed-rate.

"We really are a one-stop shop in terms of IT for businesses that range from five users to 500," said Patrick Wiley, Aldridge's Chief Operating Officer. "That includes cloud hosting and help desk services...[we also] serve as an advisor to our clients on the right hardware, software, and the right choices to make in IT."

Cloud computing, one of the latest hot topics in the technology world, is a process Aldridge has been working with for the last 10 years—just one piece of the prolific expertise it is been developing since it's establishment. Cloud computing allows Aldridge to serve its clients remotely, without the need for a physical server.

Today, Aldridge actively seeks business partners and government work in China through its Beijing consultant, Diana Dong. Aldridge is developing plans to open a Chinese company within the next year and it is confident that it can offer Chinese businesses IT services untethered by interests in brands or labels.

"[Another thing] that will be a breath of fresh air to the Chinese is that we're completely vendor neutral," said David Aldridge, Aldridge's President and CEO. "We don't build any hardware, we no longer write software, we don't have a hard product to sell."

"We have relationships with all the major vendors that allow us to really look at the selection and pick the very best of each," added Patrick Wiley, "and then incorporate that into one solution."

Through its use of cutting-edge technology and its ability to tackle all of a client's technical needs, Aldridge is revolutionizing the IT industry, and is offering Chinese businesses the chance to be a part of this new, sophisticated approach.

FLOW EQUIPMENT LEADERSHIP
PERFORMANCE

Cameron in China – A Commitment to Excellence
致力卓越 – 卡麦龙在中国

Face every challenge with confidence.

Confidence. It's knowing you have a company with field-proven products and services tackling the toughest challenges. Decades of service in China. Real world expertise with practical technology. Quality that's trusted the world over. It's what comes by working with Cameron. Resourceful and capable, we continuously raise performance through our comprehensive solutions, reliable equipment and technical know-how. No matter the environment, high temperature/high pressure and more, you can be confident of performance that meets a higher standard. The Cameron standard. www.c-a-m.com

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RAISING PERFORMANCE. TOGETHER™
CAMERON

Forging Links Between The North Texas Community And Foreign Investors

North Texas Commission

Dallas-Fort Worth International Airport, *International Terminal D: The third busiest airport in the world.*

The North Texas Commission (NTC) is a non-profit membership-supported organization committed to marketing the fourth largest metropolitan region in the U.S., a 12-county region stretching from Dallas to Fort Worth. In pursuit of its mission of regional focus and global thinking, it brings together leaders of the public, private, non-profit and higher education sectors to address regional concerns. NTC's board of directors and executive committee include the region's top leaders, including CEOs, mayors, and university heads.

"China is our region's top international trading partner," said Mabrie Jackson, President and CEO of NTC, "There are many reasons we encourage foreign investors to consider putting more of their money on North Texas."

Texas is growing in terms of population, manufacturing, and mining. North Texas continually strives to create desirable conditions for job growth: low taxes, a reasonable and predictable regulatory climate, and an educated workforce. The region is home to more than 30 higher education institutions as well as 20 Fortune 500 companies. A diverse business environment means that North Texas is able to stay strong during periods of economic downturn.

The Texas Enterprise Fund is designed to attract new business and expand existing business by providing funds for a variety of economic development projects, including infrastructure and community development, job training programs and business incentives.

The Dallas-Fort Worth International Airport is the third busiest airport in the world in terms of operations. As aviation technology develops, the airport will continue to add to the list of international destinations (and potential new markets) that it serves. The region is ideally situated in the middle of the U.S., four hours by plane from either coast.

North Texas is among the largest import and export markets in the country, with more than a dozen federally-designated Free Trade Zones as well as several Freeports – designations that protect goods in the assembly and manufacturing processes and shipments in transit from costly duty and excise taxes.

NTC looks forward to building partnerships with organizations in China that are interested in meeting North Texas business and civic leaders.

Central location in the United States serving domestic U.S., Canada, and Latin America

Robust state economy and high standard of living paired with low cost of living

A Great Place to Grow Your U.S. Business

Richardson Texas Home Of The Telecom Corridor©

What is it about Richardson, Texas, that so many high-tech Chinese engineers now call it "home?" According to Bill Sproull, President and CEO of the city's Chamber of Commerce, and Charlie Chen, CEO of DFW Technology and Chamber of Commerce member, there are many factors. An active Chinese technology community and an abundance of authentic Chinese food are just a couple.

Since its establishment in 1946, the Richardson Texas Chamber of Commerce has helped transform the city into a telecommunications and high technology business location forming what has become "The Telecom Corridor®", one of the U.S.'s leading technology centers. Companies forming the initial core were Texas Instruments, the inventor of the integrated circuit, and Rockwell Collins (formerly Collins Radio), serving the U.S. Defense Department. They were followed by a string of telecom powerhouses, including Canada's Nortel, Sweden's Ericsson, Alcatel from France, Korea's Samsung, Fujitsu out of Japan, and China-based ZTE and Huawei. It was no surprise that in 2011 the Texas state legislature designated the city of Richardson as the "Official International Business Capital of North Texas".

Bill Sproull, *President and Chief Executive Officer*

The city has been fortunate to diversify beyond technology companies. Retail watch manufacture Fossil, Inc., air conditioning manufacturing giant Lennox International Inc., and health insurance provider Blue Cross and Blue Shield of Texas are all headquartered in Richardson.

With support from industry, Richardson's contribution to local higher education is flourishing. What began as the research department for Texas Instruments is now the University of Texas at Dallas (located in Richardson), a full-fledged university that forms part of University of Texas system. Chinese students reportedly make up the second largest group of foreign students in the school's MBA program, with roughly 800 graduates from China each year.

"Richardson is centrally located in the Dallas-Fort Worth area, served by three major highways," says Michael Skelton, the new Director, Mayor's Office of International Business for the city. "A light rail system connects Richardson to 13 cities as part of the Dallas Area Rapid Transit (DART) network. Together the transportation network provides convenient access to over 10,000 corporate headquarters and 44 Fortune 500 headquarters in the Metroplex from Richardson. Plans for DART expansion within the next five to ten years envision connecting the rail line to the Dallas-Fort Worth International Airport."

Convenient transportation, quality schools to maintain an educated workforce, a diverse economy, and synergies with numerous technology companies, according to Bill Sproull, have contributed to "the highest concentration of high-tech Chinese engineers in the whole of Texas." And, of course, the authentic Chinese food!

No State personal income tax

Building Relations Between China And Houston

The Mayor's International Trade and Development Council of Houston

If you are in search of an international business partner, begin in Houston with the Mayor's Office of International Trade and Development (MOITD). Under the current leadership of Mayor Annise Parker, MOITD works in tandem with Houston's international business community to promote Houston around the globe. Its efforts work both ways: to uncover opportunities for Houston companies to expand their businesses abroad and to find avenues for foreign investors to thrive in Houston.

MOITD supports in officially welcoming both inbound and outbound trade missions, working to match contacts in China with the right partners in Houston. Chinese investors drawn to the Houston area appear to be interested in three key market areas: real estate, medical, and information technology. Nearly ten delegations from China come to Houston each year focusing on the areas of government, education, and construction.

Investors in China's import/export market will be interested to know that Houston expects to be ideally situated to take advantage of developments affecting the shipping trade. With the planned expansion of the Panama Canal to double the capacity, industry research suggests that shipping costs should drop 30 to 40 percent with expected completion of the project in 2014.

We are saddened to report that during the production of this report, the MOITD's director, Ms. Helen T. Chang, passed away. An immigrant to the US from Taiwan, she was dedicated to helping Chinese investors in the Houston market. Her work over the past 20 years, spanning the terms of four mayors, included more than 50 outbound trade missions from Houston to China.

Ms. Chang was instrumental in coordinating a visit to Houston by former president of the People's Republic of China, President Jiang Zemin, and was honored to be included in a courtesy visit by a small Houston delegation to meet with him in China.

Her spirit lives on in the mission of her office and strong connections that flourish today between the Houston and Chinese business communities. If you would like to reach out to the MOITD, e-mail moitd@houstontx.gov or call +1-832-393-0851.

An Oil Industry Legacy And Leader

Cameron

Today, more than ever, the reputation and history preceding an oil and gas equipment supply company is paramount to investors, operators, and consumers. In this quickly developing industry, being at the forefront of innovation and safety is critical to a supplier's success.

With 177 years in business, Houston-based Cameron is one of the proud companies that possesses this reputation. Throughout the 20th century, Cameron has been a leading service and product supplier to the oil and gas industry, establishing its brand as one of the most reliable in the world. Cameron's notable inventions including the blowout preventer during the 1920's, which is now an industry standard for safely managing oil and gas wells.

Today, Cameron provides products suited for a variety of drilling and completion operations, including onshore, offshore, and subsea. Services cover the entire process, from drilling to completion and including installation support and personnel training, to on-site repairs. As a one-stop shop, Cameron offers its clients convenient integrated solutions through its multiple divisions: Drilling, Subsea, Surface, Valves and Measurement, and Process and Compression Systems.

"Our clients respond well to the breadth of products and services we provide," said Hal Goldie, Corporate Vice President of Global Business Development. "We're across that whole value stream: upstream, midstream, and downstream. Offshore and onshore, and all things in between. Cameron has a very broad portfolio of products and services."

Cameron's diversification has paid off. Over the past five quarters, even in a tumultuous economy, revenue has increased an average of 16.1% per year. The company generates approximately five billion USD in revenue each year through products and services provided by its various divisions.

Cameron's success can also be attributed to its continuous innovation as the company always seeks ways to push the technological envelope. For example, Cameron is building equipment for 30,000 psi working pressure in the Gulf of Mexico, one of its most active locations. Although a complicated and challenging project, Cameron was chosen based on experience and the ability to supply integrated drilling and completion equipment following the company motto "no one gets hurt, nothing gets harmed."

Cameron has been a leading player both at home and internationally. As Cameron conducts two-thirds of its business outside U.S. borders, the company has rich experience in operating globally while conducting business locally.

Goldie Hal, *Vice President of Global Business Development*

Jack Moore, *President and Chief Executive Officer*

Amongst the many international markets Cameron serves, China is one of the most important. Cameron's history in China is deep-rooted with nearly 60 years of relations with the market. The company has offices in Shanghai, Beijing, and Chengdu, where SINOPEC has its Puguang field. Cameron currently has projects underway with major oil companies like SINOPEC, CNPC, and CNOOC.

"We have respect for the capability inside China, which we've accessed through supply chain development," said Mr. Goldie. "A reach inside China is much more than what we produce for use within China since we procure goods inside China, to incorporate in products to sell overseas."

"We appreciate our suppliers in China," added Jimmy Tang, Director of Chinese Business Development at Cameron. "They want to learn. We don't just go and find a supplier, we actually develop it and work with it and elevate the standard...We don't just look around and say 'make this for us.' We send our quality people and we also make sure the working conditions meet our standards. So we apply, in essence, our overall standard."

More importantly, Cameron views China as one of its main targets for future expansion. The company plans to construct a subsea drilling shore base in Shekou, and a plant in the Shandong province, both to be completed in the fourth quarter of 2011.

The subsea market has been a particularly strong focus for Cameron's growth strategy in China. Studies estimate that in the next five years, the demand for offshore ocean engineering equipment in China will be worth over USD 45 billion as the country will develop up to 30 oil fields.

As a testament to its subsea capabilities, Cameron was recently awarded the Liwan 3-1 deepwater gas field development project for Husky and CNOOC in the South China Sea. Husky Energy operates the field and holds a 49% interest, and CNOOC holds the remaining 51% interest. Cameron's subsea drilling shore base in Shekou will complement the Liwan activities while building future business opportunities.

"Being established on a shore based location and being able to support offshore operation is a key step in our development," said Mr. Goldie.

In addition to deepwater drilling, Cameron is also focused on emerging opportunities such as shale and coal-bed methane. As China continues to import over half of its oil supply, accessing of reliable, cutting-edge technology to tap these resources will be crucial.

"We're extremely interested in the growing focus in China on unconventional gas," said Mr. Goldie. "Of course, China has made significant investments overseas in shale gas, and after it's underway in China, churning out these new energy sources is where we could bring complete end-to-end solutions for both shale and coal-bed methane."

With oil consumption in China growing by 7.5% year-on-year, Cameron knows that China will be crucial in development over the next several years.

"Certainly we're going to increase our footprint in the largest energy consuming country in the world in terms of talent acquisition, people development, manufacturing, and sourcing, " said Mr. Tang.

我们的全球业务
服务于不断发展的世界

一个多世纪以前，美国安卓律师事务所(Andrews Kurth LLP)在成立之初，即把自己定位于我们不仅仅是律师。我们把自己看成是客户的业务伙伴。我们有超过 400 名律师，帮助多个行业和法律领域的全球客户处理他们最复杂的法律需求，以多学科的方法，在迅速行动和直接结果的基础上提供更高价值。欲了解更多信息，请访问我们的网站 andrewskurth.com。

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Real Estate Investor in China Now Assisting Chinese Investing in Texas

Hines

Hines, one of the largest real estate firms in the world, has been an active investor in China since the 1990s. World-class landmarks developed or owned by Hines are prominent in China. Hines's investments in Beijing include: Embassy House, the preferred, luxury rental apartment tower; Hyundai Motor Tower, a top office choice for multinational headquarters; and Park Avenue, a residential complex of nearly 1,000 apartments across from Chaoyang Park. Hines is also active in Shanghai, with three large projects, in addition to the thriving city of Dalian.

In China, a major shift is underway. The Chinese Ministry of Commerce predicts that, within the next three years, outbound direct investment from China will exceed foreign direct investment into China.

Mark Cover, executive vice president and CEO of Hines's Southwestern U.S. Region, points out that foreign investors in the U.S. often regard the cities of New York, Washington, Boston, Los Angeles, San Francisco and Chicago as the key pockets of wealth in the country. Mr. Cover emphasizes to savvy Chinese investors that they should not overlook Texas as an investment destination.

Texas, according to Mr. Cover, has much to offer what the rest of the country lacks. He cites that the average age in Texas is younger than much of the U.S., with more households, more children, more need for schools and, ultimately, more need for real estate

An estimated $18 billion in federal stimulus money is flowing to state and local governments

Mark Cover, *Executive Vice President and Chief Executive Officer of Capital Markets Group*

products. The cost of living in Texas is lower than almost every state in the nation due to a modest tax structure and regulatory environment.

Coupled with the above-average demand for real estate, Texas is a business-friendly state with fewer barriers to entry than other parts of the country. As a result, real estate costs are more predictable and less prone to unanticipated friction costs and/or delays. Texas has bounced back from the 2008 economic downturn in which other parts of the country is still mired. Between June 2009 and June 2011, Texas produced an unprecedented 50 percent of all jobs created in the U.S., while it represents only Eight percent of the U.S. population. Mr. Cover notes that the state is actively promoting the EB-5 Immigrant Visa, which provides a means for a foreign national to secure a green card by investing $500,000 in a project in the U.S. that will create 10 jobs.

Chinese seeking to invest in Texas should turn to local experts such as Hines. "Texas is our home base; the firm was founded in Houston in the late 50s," said Mr. Cover.

How does Hines distinguish itself from its major competitors? "While many real estate companies are known primarily as brokerage firms or money placement firms, Hines is a partner, investor and operator of assets to build or acquire. Our objective is to profit as our partner profits," Mr. Cover explained.

Hines seeks mutually beneficial relationships for projects, aiming for partners whose interests are closely aligned to its own over a wide array of product types including office, multifamily, residential, land, hotel and industrial. "Our objective with each product is to operate in the top of the segment."

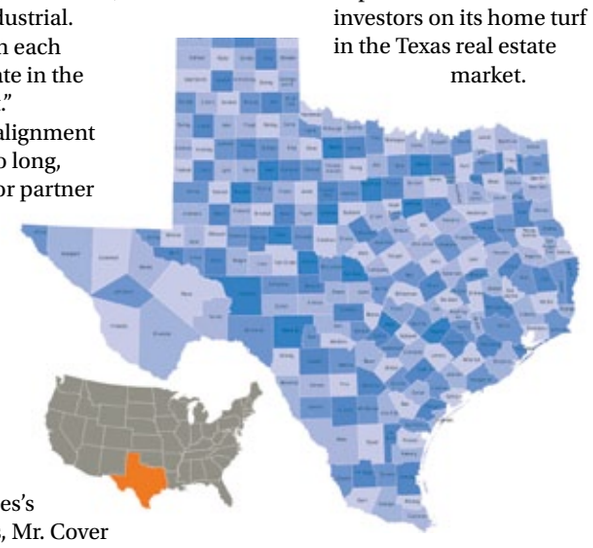
"We think that alignment of interests leads to long, trust-based investor partner relationships. We're not here just to throw some money into a project and get a commission," added Mr. Cover.

In seeking the ideal match of partners for Hines's long-term projects, Mr. Cover identifies two investor profiles, and is quick to point out that Hines deals in projects to match each. The first is the investor interested in purchasing or building "core assets" – the kind that are purchased for steady, but lower returns for the long haul. Second is the more risk-oriented investor in the "value-added" market – the purchase of buildings that are in need of renovation or repositioning in the market.

Mr. Cover noted that Hines has the in-house capability that its competitors lack. "We are, I think, as good as anybody anywhere in the United States at renovations. We have a long and successful track record in that area."

U.S. Bureau of the Census report that Texas added more people (nearly 4.3 million) than any other state between the census counts of 2000 and 2010

The same Hines that has been partnering to enhance the Chinese skyline for nearly 20 years is poised to partner with Chinese investors on its home turf in the Texas real estate market.



Welcoming Chinese Companies to One of America's Fastest Growing Business Communities

Greater Houston Partnership

The Houston region boasts more than 3,300 firms, government offices, and nonprofits dedicated to international business. It is home to 22 banks owned by 12 different nations. There are more than 500 foreign-owned firms, as well as some of the United States's most celebrated universities and medical centers. While Houston's business sector is as diverse as it is large, there is one organization whose direction and support unifies and strengthens this community: the Greater Houston Partnership (GHP).

While the partnership has been serving the Houston area for more than 22 years, its roots go back to 1840, when the Houston Chamber of Commerce was originally founded. The chamber's long-standing history in the Houston area has made it a hub for local and international companies hoping to expand and forge new partnerships in this quickly growing market. GHP advocates for regional businesses to local and federal government, connects businesses to other businesses, and provides strategic planning to companies breaking into new and foreign markets.

"As part of our strategic plan and the fact that we were created by bringing the Houston World Trade Organization into our partnership, we are very committed to the international markets," said Jeff Moseley, President and CEO of GHP.

Judge Jeffrey Moseley, *President and Chief Executive Officer*

In order to clear a path for a stronger relationship with China (whose business community, Mr. Moseley noted, is taking an increased interest in expanding in the Houston market), GHP is excited about and has been promoting the in opening of a new super cargo container vessel lane in the Panama Canal.

"We've enjoyed having incredible logistics through sea and air," said Mr. Moseley. "Houston is the largest hub of the world's largest airline. We have incredible connectivity to the Americas."

Located in one of the fastest-growing markets for communication, health, education, technology, and energy, the Greater Houston Partnership offers expertise and a point of contact for Asian business leaders hoping to tap into this exciting, ever-expanding market.

The Federal Reserve Bank of Dallas reports that nearly 15 percent of Texas' economic output is related to exports (nearly twice as big a share as the U.S. total)

Evolving With China's Oilfield Industry

National Oilwell Varco

Since its founding in 1841, National Oilwell Varco has sent its rigs and drilling equipment across the globe, developing a reputation as a powerhouse in the oil and gas industry. Based in Houston, Texas, NOV has solidified strongholds worldwide —and it continues to cultivate with local expertise and cutting edge technology.

In 1996, National Oilwell went public with 1,200 employees. With the merger in 2005, National Oilwell and Varco International joined forces to create NOV, and since then, it has seen its employee number increase to over 44,000. Today, NOV oversees more than 800 manufacturing, sales, and service centers, and specializes in creating the technology and machinery that go into oil and gas drilling, from control systems to drill bits.

"We are the leader in almost every product that we put out there," said Mr. Pete Miller, the Chairman, CEO, and President of NOV. "We do a little bit of everything. We're in 800 locations around the world in about 56 countries and we do business in about 30 currencies, so it's a fairly complex business, but it's one that's fun. And it's one we've been very successful in. We've really created a lot of value for our share holders."

In China, as in its other national

markets, NOV sets itself apart through a business model that values locality, customer service, and a strong history. After first taking its business to China in the 1970's, National Oilwell and Varco International licensed a manufacturing process locally, planting the roots for a longstanding relationship with China. Today, NOV has 14 locations in various Chinese provinces, and employs 3,000 people there, most of whom are Chinese themselves.

"It has always been our intent to live off the land," Miller emphasized. "We want to have a local face as much as possible. We have very few expats in our business. If you were to go to Norway today, there is not a single American there. It's all local and the employees run it."

"We try to stay involved with every level of the government and every level of the community. We believe in being part of the community." Miller added.

The company's surge in Chinese activity began in 2000, when National Oilwell, partnered with the government of the Gansu province to create LS Manufacturing, a company that now produces many of the oil rigs NOV is so well known for.

While NOV has enjoyed plenty of success in China over the past few decades, Miller still sees a number of ways that both NOV and the Chinese economy could benefit by forging more partnerships. For one, he points out, the demand for oil and gas in China has nowhere to go but upwards, meaning that it's in the country's best interest to cultivate a national oil and gas industry.

China's real gross domestic product has been growing by 8-10% a year, implying a need for more energy in the years to come. Moreover, its oil consumption has been increasing by 7.5% a year, a full seven times faster than that of the U.S. Soon the country will have 90 times more cars than it did in 1990.

The drilling of local shale reserves, Miller said, will be one way that China can bolster its national economy by partnering with NOV: "As the Chinese oilfield evolves, we want to evolve with them. We want to emphasize more and more manufacturing of products for their drilling and production use, as opposed to export. I would say that in the past ten years, the focus has been more on export, but I'd say, in the future years, it will be more on keeping it in-country."

Texas has led the U.S. in exports for six years

Along with oilfields that will increasingly serve national demand, NOV envisions a Chinese oil and gas industry, which through the cutting edge expertise and manufacturing abilities of NOV, will be a global leader in oil technology.

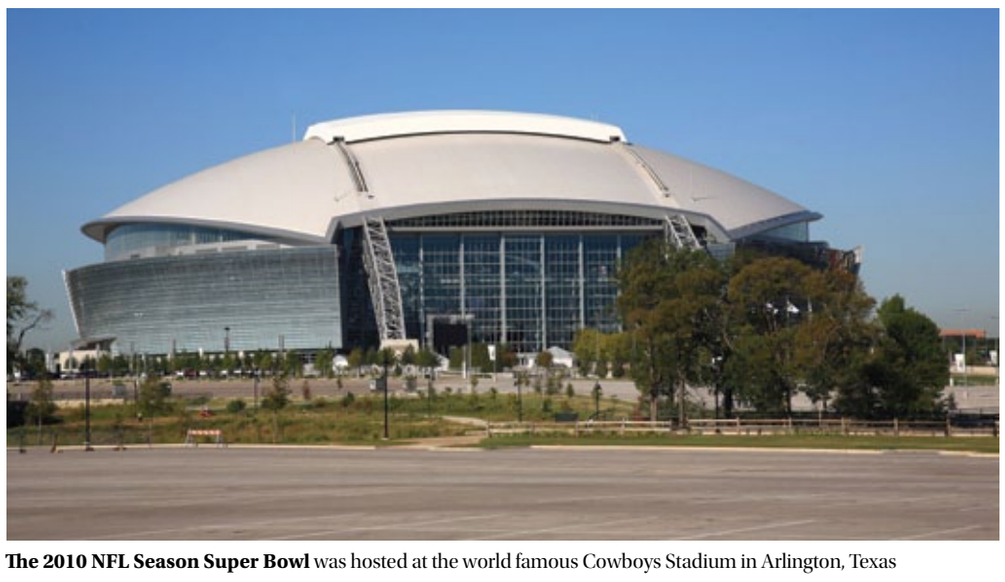
The company has already made headway in this regard with its deepwater rig manufacturing and building in Shanghai and Dalian. NOV manufactures the rig parts in Shanghai, and then builds them in Dalian, shipping them to Korea. According to Miller, it's one of NOV's most important operations, and just one example of the kind of mechanical and technological capabilities NOV can provide China.

"Just about any time you see a picture of a deepwater vessel, it will probably have equipment from Shanghai," he said. "I think that's going to be the next big push in the Chinese oilfield, to bring it up to the technology to that of the U.S. Oilfield."

As the Chinese demand for oil and gas continues to skyrocket, China will need a company with the legacy, the technology, and the manpower to meet that demand. With a history that stretches over a century and a half and knowledge of local Chinese business and culture that goes back decades, NOV has shown that it is more than capable of taking on that role.

Home of the Great Southwest Industrial Park

City of Arlington



The 2010 NFL Season Super Bowl was hosted at the world famous Cowboys Stadium in Arlington, Texas

The city of Arlington, Texas is the third largest municipality within the Dallas/Ft. Worth metropolitan area. Situated in the center of a vast urbanized region, Arlington's 161 sq km (100 sq mi) area is served by an excellent surface transportation system including two interstate highways, the Union Pacific rail line, a large general aviation airport, and is only minutes away from DFW International, the third largest airport in the world.

Arlington is home to the Great Southwest Industrial Park, one of the largest in the nation, and has ample land available for business development. Arlington also has a wide array of single-family housing with excellent access to goods and services and home prices well below the national average, as well as four exemplary independent public school districts.

The rapidly growing University of Texas at Arlington is home to over 34,000 students and is located in the center of the city, and Tarrant County College also has a major campus serving students from across the region.

The most recent U.S. Census shows Arlington as having one of the larger Asian populations within the State of Texas. The city is benefitted by a first class parks system that hosts a wide range of intramural sports activities, multiple community and recreational centers, several golf courses, Lake Arlington, and the River Legacy trail system. Lastly, Arlington features the Cowboys Stadium, home of the Dallas Cowboys, and the Ballpark at Arlington, home of the Texas Rangers baseball club, for those who follow professional sports.

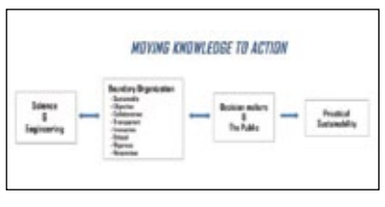
Houston Advanced Research Center

The Houston Advanced Research Center (HARC) is an independent research organization dedicated to using science and engineering to improve human well-being and the environment. Environment and development issues are becoming more complex and urgent, and innovative new technologies and policy options are required to address them.

HARC is well positioned to collaborate and serve government entities, elected officials, businesses, environmental organizations, the scientific research community, and the public with critical information required to promote sustainable development.

HARC's research staff has broad experience in basic and applied science; technology development and adoption; economics; community dynamics; policy analysis; government practices; and corporate management. This allows it to respond to the needs of various practitioners and organizations. To this experience base, HARC adds organizational strengths in project management, financial accountability, contract management, and stakeholder communication on behalf of project goals.

HARC can help evaluate and implement sustainable solutions using a coordinated effort among researchers and stakeholders including research, policy development, technology demonstration, and outreach.



HARC is a 501(c)(3) not-for-profit organization based in The Woodlands, Texas. Please visit: http://www.harc.edu